

the due date, and all persons with an insurable interest in the crop under the same contract, will not be eligible for certain other USDA program benefits as set out in § 400.657 and all such benefits already received for the crop year must be refunded. Since insurance coverage was in effect throughout the insurance period, the producer will be required to pay both the administrative fee and the premium for that crop year in accordance with provisions regarding any amounts due us contained in the applicable crop policy. If a producer fails to pay the administrative fee when due, the execution of a waiver of any eligibility for emergency crop loss assistance in connection with the crop will not be effective for any crop year for which payment was not made.

(7) The administrative fee may not be waived unless the insured qualifies as a limited resource farmer.

(8) The administrative fee will be refunded if the insured has previously obtained catastrophic risk protection or limited coverage for the crop year, paid the administrative fee, and subsequently purchased additional coverage for that same crop in the same county on or before the sales closing date. Administrative fees will not be refunded if, after the purchase of the additional coverage, the producer still has four or more crops insured in the county, or four or more crops insured in each of three or more counties, at the catastrophic or limited coverage level.

(9) The administrative fee will not be refunded for the year of application even if the insured does not plant the crop for that year.

(10) For limited coverage, the administrative fee is in addition to the amount of premium owed by the person.

(b) Additional coverage. (1) If additional coverage is elected, the insured must pay, in addition to the premium, an administrative fee of ten dollars (\$10) per crop, per county, for the year of application and each subsequent year in which crop insurance coverage remains in effect. The administrative fee must be paid no later than the time that premium is due.

(2) Persons failing to pay the administrative fee by the due date, and all

persons with an insurable interest in the crop under the same contract, will not be eligible for certain other USDA program benefits as set out in § 400.657, and all such benefits already received for the crop year must be refunded. Since insurance coverage was in effect throughout the insurance period, the producer will be required to pay both the administrative fee and the premium for that crop year in accordance with provisions regarding any amounts due us contained in the applicable crop policy. If a producer fails to pay the administrative fee when due, the execution of a waiver of any eligibility for emergency crop loss assistance in connection with the crop will not be effective for any crop year for which payment was not made.

(3) Payment of an administrative fee will not be required if the insured files a bona fide zero acreage report on or before the acreage reporting date for the crop. Any producer who falsely files a zero acreage report may be subject to criminal and administrative sanctions.

(4) The administrative fee for additional coverage is not refundable, is not subject to any limits, and may not be waived.

(c) When obtaining catastrophic risk protection, limited, or additional coverage, a producer must provide information regarding crop insurance coverage on any crop previously obtained at any other local FSA office or from an approved insurance provider, including the date such insurance was obtained and the amount paid in administrative fees. If the producer paid more than the maximum allowable amount in administrative fees, the producer will receive a refund of the excess fees paid from the local FSA office or from the approved insurance provider that last collected such fees.

§ 400.657 Eligibility for other program benefits.

The producer must obtain at least catastrophic coverage for each crop of economic significance in the county in which the producer has an insurable share, if insurance is available in the

county for the crop, unless the producer executes a waiver of any eligibility for emergency crop loss assistance in connection with the crop, to be eligible for:

(a) Benefits under the Agricultural Market Transition Act;

(b) Loans or any other USDA provided farm credit, including: guaranteed and direct farm ownership loans, operating loans, and emergency loans under the Consolidated Farm and Rural Development Act provided after October 13, 1994; and

(c) Benefits under the Conservation Reserve Program derived from any new or amended application or contract executed after October 13, 1994.

§ 400.658 Coverage for acreage that is prevented from being planted.

For the 1995 and succeeding crop years, the insurance period for prevented planting for those crop insurance policies containing prevented planting coverage shall be extended so that prevented planting coverage begins:

(a) On the sales closing date for the insured crop in the county for the crop year the application for insurance is accepted; or

(b) For any crop year following the crop year the application for insurance is accepted, or for any crop year the insurance policy is transferred to a different insurance provider, on the sales closing date for the insured crop in the county for the previous crop year, provided continuous coverage has been in effect since that date. *For example:* If the producer makes application and purchases a corn crop insurance policy for the 1995 crop year (which is not terminated or canceled during or after the 1995 crop year), prevented planting coverage for the 1996 crop year began on the 1995 sales closing date. Cancellation for the purpose of transferring the policy to a different insurance provider when there is no lapse in coverage will not be considered terminated or canceled coverage for the purpose of the preceding sentence.

§ 400.659 Transitional yields for forage or feed crops, 1995-1997 crop years.

(a) For the 1995 through the 1997 crop years, producers who produce feed or

forage will be eligible for an adjustment in the assigned yield described in 7 CFR 400.55(b)(1) if:

(1) The feed or forage is primarily for use by the producer as livestock, dairy, or poultry operations; and

(2) At least fifty percent (50%) of the producer's net farm income is derived from the livestock, dairy, or poultry operations.

(b) Producers that qualify under paragraph (a) of this section will receive an assigned yield, if required, under 7 CFR 400.55(b)(1) equal to eighty percent (80%) of the T- or D-Yield.

Subpart U—Ineligibility for Programs Under the Federal Crop Insurance Act

AUTHORITY: 7 U.S.C. 1506(l), 1506(p).

SOURCE: 62 FR 42042, Aug. 5, 1997, unless otherwise noted.

§ 400.675 Purpose.

This rule prescribes conditions under which a person may be determined to be ineligible to participate in any program administered by FCIC under the Federal Crop Insurance Act, as amended. This rule also establishes the criteria for reinstatement of eligibility.

§ 400.676 OMB control numbers.

The collecting of information requirements in this subpart has been approved by the Office of Management and Budget and assigned OMB control number 0563-0047.

§ 400.677 Definitions.

Act. The Federal Crop Insurance Act, as amended (7 U.S.C. 1501 *et seq.*).

Actively engaged in farming. Means a person who, in return for a share of profits and losses, makes a contribution to the production of an insurable crop in the form of capital, equipment, land, personal labor, or personal management.

Applicant. A person who has submitted an application for crop insurance coverage under the Act.

Authorized person. Any current or past officer, employee, elected official, general agent, agent, contractor, or loss adjuster of FCIC, the insurance provider, or any other government